

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**Department/Agency: ATO**

**Question: 35-36**

**Topic: Foreign investment**

**Reference: Spoken – 02 June 2015**

**Senator: Dastyari, Sam**

**Question:**

Senator DASTYARI: Mr Olesen, just to finish up on the matter we were looking at before the break: the process of the transfer of responsibility is currently underway. There was a \$47 million allocation, which I assume is in Budget Paper No. 2 somewhere.

Mr Olesen: \$47.5 million.

Senator DASTYARI: \$47.5 million. You expect to have a team which is going to have a full-time equivalent of 60 people working in this unit?

Mr Olesen: Approximately.

Senator DASTYARI: You are currently in the process of finding or hiring those 60 people?

Mr Olesen: Or moving people around inside the organisation. That is correct.

Senator DASTYARI: At the moment there is a number in the vicinity of 195 ongoing investigations?

Mr Olesen: Or ones yet to begin—yes.

Senator DASTYARI: There was a story in The Fin Review that pointed to I believe a number of 90,000 possible people under investigation. Is that a correct figure? Do you know what I am referring to? Is that in the right ballpark?

Mr Olesen: I have seen the figure, but I cannot bring to mind what it relates to. I am happy to take that on notice.

Senator DASTYARI: I may in the next few minutes have that sent to me by my office. If that is the case, then I will definitely put it to you. Finally, out of the 195, if I was going to ask you whether Altona was one of those properties, what are you going to say to me?

Mr Olesen: I am going to say: I do not comment on particular investigations.

Senator DASTYARI: I suspected that was exactly what you were going to say, but I thought it was worth a try anyway! For the 194, or however many, investigations, do you collect data on the prices? The media speculation has been that this tends to relate to more valuable properties at the upper end of the market. Are we talking about properties at the upper end or

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top end of the market, or is this a systemic problem throughout the system?

Mr Olesen: I would partly be guessing. I would be surprised if a fair slab of them were not towards the top end of the market. I do not have the figures here. I would be happy to give you a by-range sense of some of the values of the properties that we are looking at. I know one of the compliance activities that we have in mind would be to look at sales over the last five to 10 years to pick some of those significant sales in particular. Our idea there is to target the higher end of the residential market when we do some of those random checks. I am happy on notice, if you like, to give you a sense of the ranges of the values of the properties that we are looking at.

**Answer:**

35. The ATO is implementing a program of data matching to identify non-compliance with our foreign investment framework. The figure of 90,000 people under possible investigation refers to the outcome of a data matching exercise that found 87,893 non-resident taxpayers who may own residential property in Australia. This list will be further examined to identify those who may not have Foreign Investment Review Board permission or who may not have complied with the terms of their permission. Those cases will then be further reviewed by ATO staff.
36. Cases under review include properties across the price spectrum from the high-end to more modest dwellings. At the moment we are unable to provide detailed figures on actual ranges as the information and data is currently being reviewed and verified.